2:Purcell G-4 (no date) 1951 AL1 Southeast Asia AL1
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and other expenditure demanded by custom. Moreover, the money-lenders are willing to advance money without the security demanded by landbanks and co-operative societies.

In the matter of trade monopoly it is true that in Siam, Indo-china, Indonesia, and the Philippines the Chinese have a virtual monopoly of the rice distribution and milling trades. The Govern-ments of these countries have, to meet the popular agitation, passed legislation to restrict the Chinese share in this trade. The fact that the Chinese maintains his position in face of all this legislation and in face of competition, fair or unfair, is simply because he is so much more competent in the business. Florence Horn (see p. 634) points out that the Filipino politician who charged the Chinese with having half the retail business in their hands changed his ground completely when the reply was made that all the Filipino had to do was to open up a *tienda* on his own and put the Chinese out of business. He then said that the Chinese standard of living was deplorably low, he eats almost nothing and works day and night; therefore he subjects the Filipino to unfair com-petition! At the same time it must be admitted that the Chinese, having obtained virtual control of some trades, do their best to keep them in their hands and usually employ only their own countrymen. This is naturally galling to the native looking for an opening, but there is a sound business reason for it. They employ their own people because they are, on the whole, better at the job. No European merchant would maintain that a firm should be compelled to employ persons of inferior business capacity, thus exposing the firm to the danger of bankruptcy.

If the Governments of Southeast Asia wish to secure a greater share of the trade of their country for their nationals, they are entitled to legislate accordingly—provided, of course, that the law does not operate harshly or unjustly by depriving an alien of one source of livelihood before he has had a chance of acquiring another. (The economic effect on a country of discriminating against aliens who discharge some useful function is another matter.)

In *Fanny's First Play* Bernard Shaw pokes fun at the critics who will not give an opinion as to the merits of the play until they know 'Who wrote it?' The inference is that such a question is an irrelevance, and that the play should be judged on its own merits. But while we have, so far, attempted to consider the charges

10: Thompson S-4 (no date)1947 ALl Southeast Asia ALl

CHAPTER I · INTRODUCTION

I

LABOR SUPPLY IN SOUTHEAST ASIA

464 467 TWO MAJOR LABOR PROBLEMS, which have confronted Southeast Asia in the past and which remain unsolved, are the inadequacy and irregularity of labor supply and the dearth of organized labor movements having objectives like those of Occidental labor unions.

464 Except in such overpopulated areas as Java, the Tonkin delta, and Northern Annam, labor is generally inadequate in quantity and in quality to meet the requirements of large-scale enterprise. Where numerically adequate, the labor supply is either poorly distributed in relation to areas of employment or fails to respond to opportunities offered. The industrial development of the entire area suffers from lack of full-time services of skilled laborers. Some of the factory employees form the only stable, trained groups of workers. They comprise a small proportion of the population.

[874 461] Few facilities have existed for the training of skilled workers, and the association in Oriental minds of manual labor with the humblest social classes has limited wage-labor largely to those driven by economic necessity. Handicrafts are carried on principally by agriculturists in their [476] leisure time and by other "non-professionals." Farmers form the bulk of the workers. Only during the slack agricultural season or after a disastrous harvest are they willing to perform labor for others.

464 Supplementation of the inadequate labor force has been effected in various ways—some spontaneous, others planned. The starvation conditions chronic in south China and in India have caused emigration of 167 workers to the underpopulated but richer regions of Southeast Asia, whence they usually repatriate their savings and eventually their persons to the home country. With the exception of Burma, which by reason of its geographic and administrative relations with India formed a special category, the prosperity which prevailed at times in Southeast Asia was less a factor in stimulating this flow than were conditions in the homeland.

Accelerated by the boom in plantation industries during the early

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433 annum. Productivity in the British fishing industry was, and probably still
226 is, at least eight times as great per man. In the United States fishing in-
565 dustry it is much greater still. This immensely greater productivity per man is of course achieved only by a much heavier use of capital equipment. Technological investment, then, is an obvious method of trying to raise peasant production.

434 Peasant income in this region is thus low by most standards. Adequate
511 information about this is lacking, but there is no reason to doubt the indi-
565 cative character of what has been collected. For instance, an inquiry in Java in 1926 showed that over 60 per cent of the people had in cash and in kind incomes of less than £12 10s. a year (150 Dutch florins), and 80 per cent had incomes of less than £25 a year (300 florins). In Malaya in 1940 I calculated that the fishermen of the east coast earned on the average about £12 a year. This does not mean much without consideration of the prices of goods on which the income was spent. But any such comparison would soon make it clear that a man with such an income was hard put to it to keep his family in comfort. Cash incomes have risen steeply during and since the war, but so have the prices of consumer goods, and many peasants are probably rather worse off than before, unless they have been able to sell rice or other scarcity goods.

433 The peasant economy of South East Asia uses abundant labour and has
565 a low level of capital equipment. Even then, owing to lack of efficient
461 organization, one can point to a great amount of unused man-hours. Yet these features must not be over-stressed. It is common to blame the peasant for a *dolce far niente* attitude, and attribute his poverty to his idleness. What J. Johnston Abraham, the author of the well-known travel book, *Surgeon's Log*,[1] wrote forty years ago of the Malay is often quoted in essence still:

> The Malay . . . has the aristocratic contempt for toil . . . [he] is of all things a philosopher. He squats in the warm sun and chews betel contentedly. He sees the obvious foolishness of working in a country too hot for toil, when the earth is so prolific that a fortnight's leisurely labour will produce food for a year, and the water is so plentifully supplied with fish that an hour, in the cool of the evening with a net, will supply luxury for a fortnight.

Anyone who has lived among the Malay peasantry and has seen their back-breaking work of rice-planting, or their long hours at sea in the broiling sun hauling the nets for fish, will know what a parody this is. The working rhythm of the Asiatic peasant is different from that of the European. The economic system is not well enough geared to alternative employment when technical hitches occur in his ordinary occupation. But the peasant is not simply thriftless of his time and his money. He plans with care his ploughing, sowing, weeding, and harvesting; he is assiduous in searching for fodder for his animals, in watering his vegetable garden, in repairing his fishing-boat or his net. If he can scrape together some extra cash above the daily needs of his family, he may spend it on clothes for his child or jewellery

[1] London, Chapman & Hall (14th rev. ed., 1920), pp. 69–70.

18: Firth E-4 (no date) 1950 ALl Southeast Asia ALl

for his wife—but he is equally likely to put it into a piece of equipment or to hire some land. To understand the position of the peasant one must realize the structure of the economic system of which he is a part, and the values of his social system.

The peasant economy must not be thought of as simply a subsistence economy. It has a complex marketing structure which, even apart from Western influences, had an elaborate series of middlemen for making possible the diffusion of cloth, salt, iron, dried fish, spices, and other goods. The system of exchange has been intensified, and the reactions of different types of producers made more sensitive by the influence of the West. On the one side are the Western markets for primary products—coffee, spices, tobacco, copra, kapok, and, above all, rubber—the quick response to which has demonstrated how alive the Asiatic peasant is to making money if the opportunity offers. On the other side are the Western types of consumer goods, novel, attractively presented, easy to use—ranging from lamp oil, imported cigarettes, and cornflour for babies, to electric torches, bicycles, and the cinema. Conservative in his techniques of production, the peasant has shown himself enterprising in his consumption. The result has been that at many points, almost without realizing it, the peasant has become geared to the Western economic system. In the early days of European contact, he had often to be pushed as well as tempted into producing for the Western market. The scathing book, *Max Havelaar*, by the author calling himself 'Multatuli'—later known to be Douwes Dekker—has shown the kind of abuses that resulted from pushing the peasant into an enforced relation to the Western market. But naturally many of these links have been of his own seeking. In the last resort, it is the peasant's own scheme of values, his degree of acceptance of the goods and services which the West offers and which he transmutes to some extent in receiving, which determines his economic destiny.

But for the most part, the peasant has been incapable of perceiving the processes at work. The field is too vast for his comprehension. His reactions to the crisis and depression of the nineteen-thirties were direct and rational as they came under his personal observation. When prices fell he increased production of the export crops to maintain his cash returns; when that failed he retired from the struggle to utilize his backlog of subsistence cropping. But like many a farmer elsewhere, he had not understood much more than the immediate market situation. The pressure of the West has provided the peasant with a new range of wants from which he cannot rid himself even should he wish, and markets for his labour and raw materials which are an inducement to him to modify his habits. A new administrative system has given him fresh legal framework for many of his acts. A new system of taxation, though often lighter than before, is more methodical in its pursuit of defaulters. His land, the foundation of his existence, has for the most part been preserved to him, and indeed the security for his legal title to it has been much improved. But alien planta-